DEVELOPMENT (194) Department

MS. SERIES.

G.O. No. 664

Dated 11-8-1941

[Despatch Abstract.]

LABOUR - Compensation for involuntary unemployment due to shortage of coal, raw materials, or changes in the lines of production - Letter from Government of India - Replied to.

GOVERNMENT OF INDIA.
Department of Labour

No.L.P.2754. Dated New Delhi, the 29th August 1947.

From

Rai Sahib S.O. Aggarwal,
Deputy Secretary to the Government of India.

To

All Provincial Governments (except Sind and N.W.F.P)

Subject:- Compensation for involuntary unemployment due to shortage of coal raw materials, or changes in the lines of production

Sir,

I am directed to invite attention to the correspondence ending with this Department letter No.L-1891, dated the 1st March 1946, on the subject mentioned above. From the report of the Indian Engineering Association for the year ended the 31st December 1946 (extract enclosed) it appears that the compensation for involuntary unemployment is not being paid by the members of the Association in accordance with the scheme which was forwarded to Provincial Governments along with this Department letter No.L-1891, dated the 12th June 1944. It is not known what attitude has been adopted by other Employers Associations in the matter. It is therefore requested that this Department may kindly be informed as to what action has been taken by employers to give effect to the scheme. If that information is not available with the Provincial Government, it is requested that it may kindly be obtained from the Employers Associations to whom the Scheme was forwarded by the Provincial Government. If the replies indicate that little or no relief is being give, it is requested that the views of the Provincial Government in regard to the continuance of the Scheme and the measures that should be adopted for enforcing its provisions may kindly be communicated.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- x x
(S.C.Aggarwal)
Deputy Secretary to Govt. of India.

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Copy to all Chief Commissioners/Employing Departments of the Central Government in continuation of this Department endorsement No.L-1891, dated 1st March 1946, with the request that the information desired above may kindly be communicated to this Department at a very early date.

GOVERNMENT OF MADRAS.
DEVELOPMENT DEPARTMENT.

Letter No.Ms.664.

From

The Secretary to Government.
Development Department.

To

The Secretary to the Government of India,
Ministry of Labour, New Delhi.

Dated, Fort St. George, the 11th February 1948.

Sir,

Sub: Compensation for involuntary unemployment due to shortage of coal, raw materials or changes in the lines of production.
Ref; Rao Sahib Aggarwal's letter No.LP.2754, dated 29-8-1947.

I am directed to state that the attitude of the employers in this Province has not been generally favourable to the Scheme for the payment of compensation to workers for periods of involuntary unemployment due to shortage of coal, raw materials or changes in the lines of production. So far, there have been only four cases in which compensation for unemployment was paid, two in Coimbatore district and two in the Madras City and payment in one case was a result of adjudication. This Governmen consider that in so far as involuntary unemployment is brought about by shortage of essential commodities like coal and iron etc. resulting from the operation of controls imposed by the Government of India, the responsibility for the unemployment must be that of the Government of India rather than of the industrialists. I am to add that the general failure of the scheme shows its theoritical basis and emphasises its unworkability. In many cases employers cannot afford to pay compensation even if compelled, and it would be futile to appeal to Government's conciliatory powers for a solution. Where real difficulties arise in regard to payment of compensation they can be solved by Industries Tribunals. This Government therefore see no practical advantage in continuing the scheme.

Yours obedient servant,

Sd/- x x
Secretary to Government.